



## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Centers for Medicare & Medicaid Services

#### 42 CFR Parts 412, 413, 482, 485, and 495

#### CMS-1771-F2

#### RIN 0938-AU84

### **Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year 2023 Rates; Quality Programs and Medicare Promoting Interoperability Program Requirements for Eligible Hospitals and Critical Access Hospitals; Costs Incurred for Qualified and Non-qualified Deferred Compensation Plans; and Changes to Hospital and Critical Access Hospital Conditions of Participation; Corrections**

**AGENCY:** Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services (HHS).

**ACTION:** Final rule; correction and correcting amendment.

**SUMMARY:** This document corrects technical and typographical errors in the final rule that appeared in the August 10, 2022 **Federal Register**. The final rule was titled "Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long Term Care Hospital Prospective Payment System and Policy Changes and Fiscal Year 2023 Rates; Quality Programs and Medicare Promoting Interoperability Program Requirements for Eligible Hospitals and Critical Access Hospitals; Costs Incurred for Qualified and Non-qualified Deferred Compensation Plans; and Changes to Hospital and Critical Access Hospital Conditions of Participation".

**DATES:** *Effective date:* The final rule corrections and correcting amendment are effective on November 3, 2022.

*Applicability date:* The final rule corrections and correcting amendment are applicable for discharges occurring on or after October 1, 2022.

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**SUPPLEMENTARY INFORMATION:**

**I. Background**

In FR Doc. 2022-48780 of August 10, 2022 (87 FR 48780), there were a number of technical and typographical errors that are identified and corrected in this final rule correction and correcting amendment. The final rule corrections and correcting amendment are applicable to discharges occurring on or after October 1, 2022, as if they had been included in the document that appeared in the August 10, 2022 **Federal Register**.

**II. Summary of Errors**

#### A. Summary of Errors in the Preamble

On pages 48781, 48785, and 49313, we made typographical and technical errors in specifying certain fiscal years.

On pages 49195, 49197, 49207, 49217, 49223, 49229, 49263, 49267, and 49311, we made typographical errors in referencing a statutory citation.

On page 48789, in the table of the summary of costs and benefits of certain major provisions, we are making conforming corrections to the estimates discussed in the “Update to the IPPS Payment Rates and Other Payment Policies” row resulting from the correction to the maximum new technology add-on payment for cases involving the use of Defencath™ discussed later in this section of this final rule correction and correcting amendment.

On page 48790, in the table of the summary of costs and benefits of certain major provisions, we are making corrections to the description of the estimates discussed for the Hospital-Acquired Condition Program.

On pages 48790, 49308, 49327, 49335, 49377, and 49398, we made technical and typographical errors in **Federal Register** citations and cross-references.

On pages 48981 through 48982, in our discussion of new medical services and technologies, we are correcting the cost per case and maximum new technology add-on payment for a case involving the use of Defencath™.

On page 49071, we made typographical errors and an omission in our discussion of revisions to Worksheet E-4 of the hospital cost report instructions.

On page 49087, we made and are correcting a typographical error in our discussion of the Hospital Readmission Reduction Program.

On pages 49095, 49106, 49129, 49248, 49266, 49283, and 49295, we made and are correcting typographical errors in several footnotes and footnote references.

On pages 49201, 49230, 49232, 49233, 49297, and 49308, in the discussion of the Hospital Inpatient Quality Reporting (IQR) Program, we are correcting inadvertent omissions as well as typographical and technical errors.

On pages 49315, 49317, and 49318, in the discussion of the Long-term Care Hospital Quality Reporting Program (LTCH QRP) we are correcting several technical and typographical errors.

On pages 49347 and 49362, in the discussion of the Medicare Promoting Interoperability Program, we made and are correcting typographical and technical errors.

#### B. Summary of Errors in the Regulations Text

On page 49410, we inadvertently made a typographical error in the paragraph numbering for a paragraph in § 482.42(f)(2).

#### C. Summary of Errors in the Addendum

As discussed further in section II.D. of this final rule correction and correcting amendment, we made updates to the calculation of Factor 3 of the uncompensated care payment methodology to reflect updated information on hospital mergers received in response to the final rule and made corrections for report upload errors and an update to the DSH eligibility for one provider that was inadvertently projected not DSH eligible in the final rule. Based on the March 2022 Provider Specific File's Medicaid fraction and the FY 2020 SSI fractions, this provider is projected DSH eligible for purposes of interim uncompensated care payments during FY 2023. Specifically, there were two merger updates, one update on a report upload discrepancy, and one update on DSH eligibility projection. We recalculated the total uncompensated care amount for all DSH-eligible hospitals to reflect these updates. In addition, because the Factor 3 for each hospital reflects that hospital's uncompensated care amount relative to the uncompensated care amount for all DSH hospitals, we also recalculated Factor 3 for all DSH-eligible hospitals. The hospital-specific Factor 3 determines the total amount of the

uncompensated care payment a hospital is eligible to receive for a fiscal year. This hospital-specific payment amount is then used to calculate the amount of the interim uncompensated care payments a hospital receives per discharge. Given the small number of updates to the information used in the calculation of Factor 3, the change to the previously calculated Factor 3 for the majority of hospitals is of limited magnitude.

We note that the fixed-loss cost threshold was unchanged after these Factor 3 recalculations. (As discussed elsewhere, however, we incorporated the revised uncompensated care payment amounts into our recalculation of the FY 2023 fixed-loss threshold and related figures to reflect the use of supplemental outlier reconciliation data.) We further note that while for certain prior years, we have also recalculated the budget neutrality factors to reflect revisions to the calculation of Factor 3, in combination with the correction of other errors, given the limited magnitude of the changes to uncompensated care payments, and because we are not making corrections to any other components of the calculation of these budget neutrality factors for FY 2023, we did not recalculate any budget neutrality factors due to the changes to Factor 3.

On pages 49420 through 49421 and 49427 through 49428, we are revising the calculation of the percentage of operating outlier reconciliation dollars to total Federal operating payments based on the FY 2017 cost reports, which is used in our projection of operating outlier reconciliation payments for the FY 2023 outlier threshold calculation, to reflect the use of supplemental outlier reconciliation data, as discussed in the FY 2023 IPPS/LTCH PPS final rule, including additional supplemental data from some hospitals that had an outlier reconciliation amount recorded on Worksheet E, Part A, Line 2.01. In addition to revising the percentage of operating outlier reconciliation dollars to total Federal operating payments, we are also revising the percentage of capital outlier payments to total capital Federal payments for FY 2017 to reflect these additional supplemental data for hospitals that had an outlier reconciliation amount recorded on

Worksheet E, Part A, Line 93, Column 1. Accordingly, under our established methodology, this correction to the percentage of operating outlier reconciliation dollars to total Federal operating payments results in a change in the targeted operating outlier percentage and the FY 2023 outlier threshold. In addition, under our established methodology, the correction to the percentage of capital outlier payments to total capital Federal payments and the change in the FY 2023 outlier threshold results in a change in the estimated capital outlier percentage. We note that these recalculations also reflect the revisions to Factor 3 of the uncompensated care payment methodology described previously.

On pages 49433 through 49437, in our discussion of the determination of the Federal hospital inpatient capital related prospective payment rate update, due to the correction of the combination of errors listed previously (the revisions to Factor 3 of the uncompensated care payment methodology, and, in particular, the corrections to the outlier reconciliation projections and outlier threshold), we have made conforming corrections to the capital outlier adjustment, capital Federal rate and related figures. On page 49453, we are also making conforming corrections to the capital standard Federal payment rate in Table 1D.

On page 49438, we made a typographical error in referencing a statutory citation.

In addition, on page 49450, we are making conforming changes to the fixed-loss amount for FY 2023 site neutral payment rate discharges, and the high cost outlier threshold (based on the corrections to the IPPS outlier threshold (that is, fixed-loss amount) discussed previously).

#### D. Summary of Errors in and Corrections to Files and Tables Posted on the CMS Website

We are correcting the errors in the following IPPS table that is listed on page 49453 of the FY 2023 IPPS/LTCH PPS final rule and is available on the internet on the CMS website at <https://www.cms.gov/Medicare/Medicare-Fee-for->

ServicePayment/AcuteInpatientPPS/ index.html. The tables that are available on the internet have been updated to reflect the revisions discussed in this final rule correction and correcting amendment.

Table 18.—FY 2023 Medicare DSH Uncompensated Care Payment Factor 3. For the FY 2023 IPPS/LTCH PPS final rule, we published a list of hospitals that we identified to be subsection (d) hospitals and subsection (d) Puerto Rico hospitals projected to be eligible to receive interim uncompensated care payments for FY 2023. As stated in the FY 2023 IPPS/LTCH PPS final rule (87 FR 49046) we allowed the public an additional period after the issuance of the final rule to review and submit via email any updated information on mergers and/or to report upload discrepancies. We are updating this table to reflect the information on mergers, upload discrepancy, and DSH eligibility received in response to the final rule and to revise the Factor 3 calculations for purposes of determining uncompensated care payments for the FY 2023 IPPS/LTCH PPS final rule. We are revising Factor 3 for all hospitals to reflect the updated merger information, upload discrepancy information, and DSH eligibility information received in response to the final rule. We are also revising the amount of the total uncompensated care payment calculated for each DSH eligible hospital. The total uncompensated care payment that a hospital receives is used to calculate the amount of the interim uncompensated care payments the hospital receives per discharge. As previously discussed, given the limited magnitude of these uncompensated care payment corrections, and because we are not making corrections to any other components of the calculation of the budget neutrality factors for FY 2023, we do not believe the revisions to the uncompensated care payment amounts merit recalculating all budget neutrality factors. However, the revised uncompensated care payment amounts were incorporated into our recalculation of the outlier fixed-loss cost threshold and related figures to reflect the

corrections to the outlier reconciliation projections used in the FY 2023 outlier threshold calculation, as described previously.

#### E. Summary of Errors in the Appendices

On pages 49457, 49494, and 49495 we are making conforming corrections to the estimated overall impact, estimated overall change in new technology add-on payments, and the accounting statement and table for acute care hospitals under the IPPS, resulting from the correction to the maximum new technology add-on payment for cases involving the use of Defencath™ discussed in section II.A. of this final rule correction and correcting amendment.

On pages 49461 through 49463, 49467 through 49468, and 49482 through 49485 in our regulatory impact analyses, we have made conforming corrections to certain factors, values, tables and accompanying discussion of the changes in operating and capital IPPS payments for FY 2023 as a result of the technical errors that lead to changes in our calculation of the outlier threshold and capital Federal rate (as discussed in section II.B. of this final rule correction and correcting amendment). These conforming corrections include changes to the following:

- On pages 49461 through 49463, the table titled “Table I—Impact Analysis of Changes to the IPPS for Operating Costs for FY 2023”.
- On pages 49467 through 49468, the table titled “Table II—Impact Analysis of Changes for FY 2023 Acute Care Hospital Operating Prospective Payment System (Payments per discharge)”.
- On pages 49484 and 49485, the table titled “TABLE III.—COMPARISON OF TOTAL PAYMENTS PER CASE [FY 2022 PAYMENTS COMPARED TO FY 2023 PAYMENTS]”.



On pages 49469 through 49470, we are correcting values in tables and estimated total payment values in accompanying discussion resulting from the correction to the maximum new technology add-on payment for cases involving the use of Defencath™.

On page 49470, under the table displaying the FY 2023 Estimates for New Technology Add-On Payments for FY 2023, we are correcting the inadvertent omission of the heading for the next section.

On pages 49471 through 49474 we are correcting the discussion of the “2. Effects of Changes to Medicare DSH and Uncompensated Care Payments for FY 2023 and the New Supplemental Payment for Indian Health Service Hospitals and Tribal Hospitals and Hospitals Located in Puerto Rico” for purposes of the Regulatory Impact Analysis in Appendix A of the FY 2023 IPPS/LTCH PPS final rule, including the table titled “Modeled Uncompensated Care Payments\* and Supplemental Payments for Estimated FY 2023 DSHs by Hospital Type\*” on pages 49472 and 49473, in light of the corrections discussed in section II.D. of this final rule correction and correcting amendment.

### **III. Waiver of Proposed Rulemaking and Delay in Effective Date**

Under 5 U.S.C. 553(b) of the Administrative Procedure Act (APA), the agency is required to publish a notice of the proposed rulemaking in the **Federal Register** before the provisions of a rule take effect. Similarly, section 1871(b)(1) of the Act requires the Secretary to provide for notice of the proposed rulemaking in the **Federal Register** and provide a period of not less than 60 days for public comment. In addition, section 553(d) of the APA, and section 1871(e)(1)(B)(i) of the Act mandate a 30-day delay in effective date after issuance or publication of a rule. Sections 553(b)(B) and 553(d)(3) of the APA provide for exceptions from the notice and comment and delay in effective date APA requirements; in cases in which these exceptions apply, sections 1871(b)(2)(C) and 1871(e)(1)(B)(ii) of the Act provide exceptions from the notice and 60-day comment

period and delay in effective date requirements of the Act as well. Section 553(b)(B) of the APA and section 1871(b)(2)(C) of the Act authorize an agency to dispense with normal rulemaking requirements for good cause if the agency makes a finding that the notice and comment process are impracticable, unnecessary, or contrary to the public interest. In addition, both section 553(d)(3) of the APA and section 1871(e)(1)(B)(ii) of the Act allow the agency to avoid the 30-day delay in effective date where such delay is contrary to the public interest and an agency includes a statement of support.

We believe that this correcting document does not constitute a rule that would be subject to the notice and comment or delayed effective date requirements. This document corrects technical and typographical errors in the preamble, regulations text, addendum, payment rates, tables, and appendices included or referenced in the FY 2023 IPPS/LTCH PPS final rule, but does not make substantive changes to the policies or payment methodologies that were adopted in the final rule. As a result, this correcting document is intended to ensure that the information in the FY 2023 IPPS/LTCH PPS final rule accurately reflects the policies adopted in that document.

In addition, even if this were a rule to which the notice and comment procedures and delayed effective date requirements applied, we find that there is good cause to waive such requirements. Undertaking further notice and comment procedures to incorporate the corrections in this document into the final rule or delaying the effective date would be contrary to the public interest because it is in the public's interest for providers to receive appropriate payments in as timely a manner as possible, and to ensure that the FY 2023 IPPS/LTCH PPS final rule accurately reflects our policies. Furthermore, such procedures would be unnecessary, as we are not altering our payment methodologies or policies, but rather, we are simply implementing correctly the methodologies and policies that we previously proposed, requested comment on, and subsequently finalized. This correcting document is intended solely to ensure that the FY 2023 IPPS/LTCH PPS final rule

accurately reflects these payment methodologies and policies. Therefore, we believe we have good cause to waive the notice and comment and effective date requirements. Moreover, even if these corrections were considered to be retroactive rulemaking, they would be authorized under section 1871(e)(1)(A)(ii) of the Act, which permits the Secretary to issue a rule for the Medicare program with retroactive effect if the failure to do so would be contrary to the public interest. As we have explained previously, we believe it would be contrary to the public interest not to implement the corrections in this final rule correction for discharges occurring on or after October 1, 2022, because it is in the public's interest for providers to receive appropriate payments in as timely a manner as possible, and to ensure that the FY 2023 IPPS/LTCH PPS final rule accurately reflects our policies.

#### **IV. Correction of Errors**

In FR Doc. 2022–16472 of August 10, 2022 (87 FR 48780), we are making the following corrections:

##### **A. Correction of Errors in the Preamble**

1. On page 48781, first column,
  - a. Lines 23 and 24, the phrase "S-3 Wage Data for the FY 2022 Wage Index" is corrected to read "S-3 Wage Data for the FY 2023 Wage Index".
  - b. Lines 27 and 28, the phrase, "Computing the FY 2022 Unadjusted Wage Index" is corrected to read "Computing the FY 2023 Unadjusted Wage Index".
  - c. Line 74, the phrase " Updates for FY 2022 (§ 412.64(d))" is corrected to read "Updates for FY 2023 (§ 412.64(d))".
2. On page 48785, second column, third paragraph, the phrase “FY 2024” is corrected to read “FY 2023”.

3. On page 48789, in the untitled table, second column (Description of Costs, Transfers, Savings, and Benefits), third row (Update to the IPPS Payment Rates and Other Payment Policies),

a. Line 2, the figure "\$1.4 billion" is corrected to read "\$1.5 billion".

b. Line 4, the figure "\$1.0 billion" is corrected to read "\$0.9 billion".

4. On page 48790, in the untitled table,

a. Second column (Description of Costs, Transfers, Savings, and Benefits),

(1) First row, lines 3 and 4, the phrase, "specific HSRs and a 30-day preview period for the NHSN CDC HAI measures." is corrected to read "specific HSRs and a 30-day preview period."

(2) Last row, line 1, the reference, "section XII.B.10." is corrected to read "section XII.B.11."

b. Following the table (Table Note 1), the sentence beginning with the phrase "For the purpose" and ending with the phrase "and CABG)." is corrected by removing the sentence.

5. On page 48981,

a. First column, fourth full paragraph, lines 14 and 15, the phrase "\$5,850 to the hospital, per patient" is corrected to read "\$1,950 per 5mL vial. "

b. Third column, last partial paragraph, lines 2 and 3, the language "the cost per case of the DefenCath™ is \$5,850" is corrected to read "the cost of DefenCath™ is \$1,950 per vial. Per the applicant, the average utilization of DefenCath™ is 9.75 vials per patient, resulting in an average cost per case of \$19,012.50."

6. On page 48982, first column, first partial paragraph, line 5, the figure "\$4,387.50" is corrected to read "\$14,259.38".

7. On page 49071,

a. Second column, last partial paragraph,

(1) Line 15, the phrase "line 9 minus line 8" is corrected to read "line 8 minus line 9".

(2) Lines 18 and 19, the phrase "line 9 minus line 8" is corrected to read "line 8 minus line 9".

(3) Lines 19 and 20, the phrase "line 9 minus line 8" is corrected to read "line 8 minus line 9".

b. Third column, first partial paragraph, lines 1 and 2, the phrase "minus line 8 on line 20," but we believe they meant to say 'on line 22')." is corrected to read "minus line 8' but we believe they meant to state 'line 8 minus line 9.' We also note that the commenters indicated to enter the result 'on line 20,' but we believe they meant to state 'on line 22').".

8. On page 49087, second column, third full paragraph, line 13, the phrase "COVID–10 specific ICD–10" is corrected to read "COVID–19 specific ICD–10".

9. On page 49095, first column, third footnote paragraph (footnote 232), the parenthetical web address, "(statnews.com)" is corrected to read "<https://www.statnews.com/2021/09/20/covid-19-set-to-overtake-1918-spanish-flu-as-deadliest-disease-in-american-history/>".

10. On page 49106,

a. First column, first paragraph (footnote 275), lines 3 through 5, the phrase, "Fleisher et al. (2022). New England Journal of Medicine. Article available here:" is corrected to read "Fleisher et al. (2022). Health Care Safety During the Pandemic and Beyond — Building a System That Ensures Resilience. New England Journal of Medicine. Available at:"

b. Second column—

(1) Sixth footnote paragraph (footnote 283), lines 4 through 10, the hyperlink, <https://www.fda.gov/news-events/press-announcements/coronavirus-covid-19-update->

fda-authorizes-additional-oral-antiviral-treatment-covid-19-

certain#:~:text=Today%2C%20the%20U.S.%20Food%20and,progression%20to%20severe%20COVID%2D19%2C is corrected to read : <https://www.fda.gov/news-events/press-announcements/coronavirus-covid-19-update-fda-authorizes-additional-oral-antiviral-treatment-covid-19-certain>

(2) Eighth footnote paragraph (footnote 285), lines 3 through 7, the hyperlink, “[https://www.washingtonpost.com/politics/biden-to-give-away-400-million-n95-masks-starting-next-week/2022/01/19/5095c050-7915-11ec-9dce-7313579de434\\_story.html](https://www.washingtonpost.com/politics/biden-to-give-away-400-million-n95-masks-starting-next-week/2022/01/19/5095c050-7915-11ec-9dce-7313579de434_story.html)” is corrected to read “<https://www.washingtonpost.com/kidspost/2022/01/19/biden-give-away-400-million-n95-masks/>”.

11. On page 49129, first column, footnote paragraph (Footnote 314), line 5 and 6, the hyperlink “<https://oig.hhs.govAd/oei/reports/OEI-06-18-00400.asp>” is corrected to read <https://oig.hhs.gov/oei/reports/OEI-06-18-00400.asp>.

12. On page 49195, third column, first full paragraph, lines 3 and 4, the reference "section 1866" is corrected to read "section 1886".

13. On page 49197, second column, third full paragraph, lines 11 and 12, the reference "section 1866" is corrected to read "section 1886".

14. On page 49201, first column, second full paragraph, lines 11 through 17, the sentence "First, because social risk factors disproportionately impact historically <sup>481</sup>" is corrected to read "First, because social risk factors disproportionately impact underserved communities, promoting screening for these factors could serve as evidence-based building blocks for supporting hospitals and health systems in actualizing commitment to address disparities, improve health equity through addressing the social needs with community partners, and implement associated equity measures to track progress.".

15. On page 49207, first column, second full paragraph, lines 3 and 4, the reference "section 1866" is corrected to read "section 1886".

16. On page 49217, first column, second full paragraph, line 3, the reference "section 1866" is corrected to read "section 1886".

17. On page 49223, second column, first full paragraph, lines 7 and 8, the reference "section 1866" is corrected to read "section 1886".

18. On page 49229, first column, first full paragraph, lines 4 and 5, the reference "section 1866" is corrected to read "section 1886".

19. On page 49230, top third of the page, second column, second full paragraph, lines 2 through 6, the sentence "The measure is designed to be calculated by the hospitals' CEHRT using the patient-level data and then submitted by hospitals to CMS." is corrected to read "Patient-level data is to be submitted to CMS where risk-adjustment and measure calculation will occur.".

20. On page 49232, lower two-thirds of the page, first column, last full paragraph, lines 5 and 6, the phrase "an additional hospital unaffiliated with the first 25" is corrected to read "an additional 5 hospitals unaffiliated with the first 25".

21. On page 49233, third column, first full paragraph, lines 1 through 5, the sentence "We reiterate that this is an eCQM in which the data is collected through hospitals' EHR and designed to be calculated by the hospital's CEHRT (87 FR 28513)." is corrected to read "We reiterate that this is an eCQM in which the data is collected through hospitals' EHR (87 FR 28514). The measure is designed for patient-level data to be submitted to CMS where risk-adjustment and measure calculation will occur.".

22. On page 49248, first column, 10<sup>th</sup> footnote paragraph (Footnote 919), lines 1 and 2, the phrase, "Ma kela K.T., Peltola M., Sund R, Malmivaara A., Ha kkinen U., Remes V." is corrected to read "Mäkelä K.T., Peltola M., Sund R., Malmivaara A., Häkkinen U., Remes V.".

23. On page 49263, third column, second full paragraph, lines 5 and 6, the reference "section 1866" is corrected to read "section 1886".

24. On page 49266, third column, before the first footnote paragraph (Footnote 981), the footnote paragraphs are corrected by adding a footnote (Footnote 980) to read as follows:

"National Quality Forum. Surgery Fall Cycle 2020. Measure Testing (subcriteria 2a2, 2b1-2b6) Document. November 3, 2020. Available at:  
<https://nqfappservicesstorage.blob.core.windows.net/proddocs/22/Fall/2020/measures/1550/shared/1550.zip> .".

25. On page 49267, third column, second full paragraph, lines 4 and 5, the reference "section 1866" is corrected to read "section 1886".

26. On page 49283, first column, sixth footnote paragraph (footnote 1021), lines 6 and 7, the hyperlink "<https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2787181>" is corrected to read "<https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2787184>".

27. On page 49295, second column, first partial footnote paragraph (footnote 1074), lines 1 through 4, the hyperlink "Accessed on Available at:  
<https://arpsp.cdc.gov/profile/infections/clabsi?year-select-report=year2019&year-select-hai-state-list=year2019>" is corrected to read "Accessed July 27, 2021. Available at:  
<https://arpsp.cdc.gov/profile/nhsn/clabsi>".

28. On page 49297, second column, first full paragraph, lines 17 and 18, the phrase "increase the risk of developing CDIs. " is corrected to read "increase the risk of contracting HAIs. ".

29. On page 49308, second column, last partial paragraph, line 18, the citation "(85 FR 58952 through 58944)" is corrected read "(85 FR 58942 through 58953)".

30. On page 49311, first column, first full paragraph, line 3, the reference "section 1866" is corrected to read "section 1886".



31. On page 49312, first column, last partial paragraph, line 1, the reference "section 1866" is corrected to read "section 1886".

32. On page 49313, third column, third full paragraph, line 7, the phrase "FY 2021 confidential" is corrected to read "FY 2022 confidential".

33. On page 49315, middle of the page, in the table titled "Table IX.G.-01. Quality Measures Currently Adopted for the FY 2023 LTCH QRP", the entries in rows 3 and 4 are corrected to read as follows:

**TABLE IX.G.-01. QUALITY MEASURES CURRENTLY ADOPTED FOR THE FY 2023 LTCH QRP**

Short Name	Measure Name & Data Source
<b>LTCH CARE Data Set</b>	
Functional Assessment	Percent of Long-Term Care Hospital (LTCH) Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function
Application of Functional Assessment/Care Plan	Application of Percent of Long-Term Care Hospital (LTCH) Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function

34. On page 49317, first column, fifth paragraph, lines 10 and 11, the phrase, "This commenter also suggested CMS to work with CMS to determine" is corrected to read "This commenter also suggested CMS determine".

35. On page 49318--

a. Second column, third full paragraph, line 1, the phrase, "A number of commenters provider" is corrected to read "A number of commenters provided".

b. Third column, first full paragraph, lines 36 through 40, the sentence, "We also received one comment recommending CMS use a combination of peer group benchmarking and statistical significance. " is corrected read "A commenter also suggested additional guiding principles."

36. On page 49327, third column, first partial paragraph, line 3, the reference "[TABLE XX]" is corrected to read "Table IX.H.-07".

37. On page 49335, third column, second full paragraph, line 14, the citation "(87 FR 28586 through 28587)" is corrected to read "(87 FR 28585 through 28587)".

38. On page 49347, third column, first partial paragraph, line 15, the phrase, "We finalized our proposal" should read "We are finalizing our proposal".

39. On page 49362, second column, first partial paragraph, lines 11 through 15, the sentence "Testing established the feasibility of the measure, first in 25 hospitals across eight healthcare sites and then in additional hospital unaffiliated with the first 25." is corrected to read "The measure developer's testing established the feasibility of the measure, first in 25 hospitals across 8 healthcare sites and then in an additional 5 hospitals unaffiliated with the first 25, and across several different electronic health record systems.".

40. On page 49377, third column, first partial paragraph, lines 31 and 32, the reference "sections XII.B.10. and XII.H.11, " is corrected to read "sections XII.B.11. of the preamble and I.H.11. of the Appendix,".

41. On page 49398, second column, first full paragraph, lines 1 and 2, the reference, "section XX.B.2." is corrected to read "section X.B.2.".

#### B. Corrections to the Addendum

1. On page 49420, first column, second full paragraph,
  - a. Line 24, the phrase "2 additional" is corrected to "8 additional".
  - b. Line 32, the phrase "2 hospitals' " is corrected to "8 hospitals' " .
  - c. Line 40, the phrase "2 additional" is corrected to "8 additional".
  - d. Lines 42 and 43, the phrase "2 hospitals, a total of 17 hospitals" is corrected to read as follows "8 hospitals, a total of 23 hospitals".
  - e. Line 47, the phrase "negative \$17,153,313 (Step 2)" is corrected to read as follows "negative \$25,475,549 (Step 2)".
  - f. Line 50, the phrase, "2 hospitals is \$ 88,414,357,653 (Step 3)" is corrected to read as follows "8 hospitals is \$88,407,788,794 (Step 3)".

g. Lines 51 and 52, the phrase "negative 0.019401 percent" is corrected to read "negative 0.028816 percent".

h. Line 53, the phrase "negative 0.02 percent" is corrected to read "negative 0.03 percent".

i. Lines 57 and 58, "5.12 percent [5.1 percent - ( - 0.02 percent)]" is corrected to read "5.13 percent [5.1 percent - ( - 0.03 percent)]".

2. On page 49421,

a. Second column,

(1) First partial paragraph, lines 4 and 5, the phrase "supplemented for 2 hospitals for a total of 14 hospitals," is corrected to read "supplemented for 8 hospitals for a total of 20 hospitals,".

(2) First full paragraph,

(a) Lines 2 and 3, the phrase "2 hospitals, 14 hospitals" is corrected to read "8 hospitals, 20 hospitals".

(b) Line 6, the figure "\$1,101,225" is corrected to read "\$2,556,541".

(c) Line 9, the figure "\$7,995,731,783" is corrected to read "\$7,994,424,546".

(d) Line 10, the figure, "0.013773" is corrected to read "0.031979".

(e) Line 11, the figure, "0.01" is corrected to read "0.03".

(f) Line 17, the figure "0.01" is corrected to read "0.03".

(g) Line 20, the figure "0.01" is corrected to read "0.03".

b. Third column, last full paragraph,

(1) Line 2, the figure "5.66 percent" is corrected to read "5.67 percent".

(2) Line 4, the phrase "\$406,733,862 divided by \$7,190,928,057" is corrected to read "\$407,648,341 divided by \$7,190,718,976".

(3) Line 6, the figure "\$406,733,862" is corrected to read "\$407,648,341".

(4) Line 7, the figure "\$6,784,194,195" is corrected to read "\$6,783,070,635".

- (5) Line 11, the figure “5.40 percent” is corrected to read “5.41 percent”.
- (6) Line 12, the figure “\$346,066,050” is corrected to read “\$346,855,738”.
- (7) Line 13, the figure “\$6,412,816,596” is corrected to read “\$6,412,729,550”.
- (8) Line 14, the figure “\$346,066,050” is corrected to read “\$346,855,738”.
- (9) Line 16, the figure “\$6,066,750,547” is corrected to read “\$6,065,873,812”.
- (10) Line 20, the figure “5.53 percent” is corrected to read “5.54 percent”.
- (11) Line 26, the figure “0.01 percent” is corrected to read “0.03 percent”.
- (12) Line 30, the figure “5.53 percent” is corrected to read “5.54 percent”.
- (13) Lines 34 and 35, the equation “5.52 percent (5.53 percent – 0.01 percent)” is corrected to read 5.51 percent (5.54 percent – 0.03 percent)”.

3. On page 49427, third column, second full paragraph, line 31, the figure “5.12” is corrected to “5.13”.

4. On page 49428,

a. Top of the page,

(1) First column,

(a) First partial paragraph,

(i) Lines 3 through 5, the phrase “0.019401 percent, which when rounded to the second digit, is 0.02 percent” is corrected to “0.028816 percent, which when rounded to the second digit, is 0.03 percent”

(ii) Lines 8 and 9, the mathematical expression “5.12 percent [5.1 percent – (0.02 percent)]” is corrected to read “5.13 percent [5.1 percent – (-0.03 percent)]”.

(b) Third full paragraph,

(i) Line 4, the figure “\$39,389” is corrected to read “\$39,317”.

(ii) Line 6, the figure “\$4,658,400,549” is corrected to read “\$4,667,954,052”.

(iii) Line 7, the figure “\$86,325,462,972” is corrected to read “\$86,324,951,579”.

(iv) Line 11, the figure “5.12” is corrected to read “5.13”.

(c) Second partial paragraph, line 2, the figure “\$38,328” is corrected to read “\$38,259”.

(2) Second column,

(a) First partial paragraph,

(i) Line 2, the figure “\$4,073,729,554” is corrected to read “\$4,081,975,259”

(ii) Line 3, “\$75,488,568,943” is corrected to “\$75,488,113,785”

(iii) Line 7, the figure “5.12” is corrected to read “5.13”.

(b) First full paragraph, last line, the mathematical expression “\$38,859  $((\$39,389 + \$38,328)/2))$ .” is corrected to read “\$38,788  $((\$39,317 + \$38,259)/2))$ .”

(3) Third column, first partial paragraph, lines 33 and 34, the figure “5.52 percent” is corrected to read “5.51 percent”.

b. Lower fourth of the page, in the untitled table, the figure “0.944837” is corrected to read “0.944910”.

4. On page 49433, second column, first full paragraph, line 6, the figure “2.36 percent” is corrected to read “2.37 percent”.

5. On page 49435, first column,

a. First partial paragraph, line 22, the figure “5.53 percent” is corrected to read “5.54 percent”.

b. First full paragraph,

(1) Line 6, the figure “0.01 percent” is corrected to read “0.03 percent”.

(2) Lines 8 through 12, the phrase “estimated outlier payments for capital-related PPS payments would equal 5.52 percent (5.53 percent – 0.01 percent) of inpatient capital-related payments” is corrected to read “estimated outlier payments for capital-related PPS payments would equal 5.51 percent (5.54 percent – 0.03 percent) of inpatient capital-related payments”.

(3) Line 14, the figure “0.9448” is corrected to read “0.9449”.

c. Second full paragraph,

(1) Lines 4 through 7, the sentence “The FY 2023 outlier adjustment of 0.9448 is a -0.24 percent change from the FY 2022 outlier adjustment of 0.9471” is corrected to read “The FY 2023 outlier adjustment of 0.9449 is a -0.23 percent change from the FY 2022 outlier adjustment of 0.9471”.

(2) Lines 9 and 10, the mathematical phrase “0.9976 (0.9448/0.9471)” is corrected to read “0.9977 (0.9449/0.9471)”.

(3) Line 12, the figure “-0.24” is corrected to read “-0.23”.

6. On page 49436, third column,

a. First full paragraph,

(1) Line 9, the figure \$483.76” is corrected to read “\$483.79”.

(2) Last line, the figure “0.9448” is corrected to read “0.9449”.

b. Last paragraph,

(1) Line 18, the figure “0.24” is corrected to read “0.23”.

(2) Line 22, the figure “2.36” is corrected to read “2.37”.

7. On page 49437,

a. Top of the page, the table "Comparison of Factors and Adjustments: FY 2022 Capital Federal Rate and the FY 2023 Capital Federal Rate” is corrected to read as follows:

**COMPARISON OF FACTORS AND ADJUSTMENTS: FY 2022 CAPITAL  
FEDERAL RATE AND THE FY 2023 CAPITAL FEDERAL RATE**

	<b>FY 2022</b>	<b>FY 2023</b>	<b>Change</b>	<b>Percent Change</b>
Update Factor <sup>1</sup>	1.0080	1.0250	1.0250	2.50
GAF/DRG Adjustment Factor <sup>1</sup>	1.0004	1.0012	1.0012	0.12
Quartile/Cap Adjustment Factor <sup>2</sup>	0.9974	0.9972	0.9998	-0.02
Outlier Adjustment Factor <sup>3</sup>	0.9471	0.9449	0.9977	-0.23
Capital Federal Rate	\$472.59	\$483.79	1.0237	2.37 <sup>4</sup>

<sup>1</sup> The update factor and the GAF/DRG budget neutrality adjustment factors are built permanently into the capital Federal rate. Thus, for example, the incremental change from FY 2022 to FY 2023 resulting from the application of the 1.0012 GAF/DRG budget neutrality adjustment factor for FY 2023 is a net change of 0.0012 (or 0.12 percent).

<sup>2</sup> The lowest quartile/cap budget neutrality adjustment factor is not built permanently into the capital Federal rate; that is, the factor is not applied cumulatively in determining the capital Federal rate. Thus, for example, the net change resulting from the application of the FY 2023 lowest quartile/cap budget neutrality adjustment factor is 0.9972/0.9974 or 0.9998 (or -0.02 percent).

<sup>3</sup> The outlier reduction factor is not built permanently into the capital Federal rate; that is, the factor is not applied cumulatively in determining the capital Federal rate. Thus, for example, the net change resulting from the application of the FY 2023 outlier adjustment factor is 0.9449/0.9471 or 0.9977 (or -0.23 percent).

<sup>4</sup> Percent change may not sum due to rounding.

b. Lower two-thirds of the page, first column, second full paragraph, last line, the figure “38,859” is corrected to read “\$38,788”.

8. On page 49438, second column, first full paragraph, lines 45 and 46, the reference "section 1866(m)(5)" is corrected to read "section 1886(m)(5)".

9. On page 49450, first full paragraph,

a. Line 11, the figure “\$38,859” is corrected to read “\$38,788”.

b. Last line, the figure “\$38,859” is corrected to read “\$38,788”.

10. On page 49453, bottom of the page, the table titled “TABLE 1D—CAPITAL STANDARD FEDERAL PAYMENT RATE—FY 2023” is corrected to read as follows:

**TABLE 1D.—CAPITAL STANDARD FEDERAL PAYMENT RATE—FY 2023**

	<b>Rate</b>
National	\$483.79

#### D. Corrections to the Appendices

1. On page 49457, third column, last paragraph,

a. Line 8, the figure “\$1.4 billion” is corrected to read “\$1.5 billion”.

b. Line 14, the figure “\$1.0 billion” is corrected to read “\$0.9 billion”.

2. On pages 49461 through 49463, the column titled “All FY 2023 Changes” in the table titled, “Table I—Impact Analysis of Changes to the IPPS for Operating Costs for FY 2023” is corrected to read as follows:

	<b>All FY 2023 Changes (8)<sup>9</sup></b>
<b>All Hospitals</b>	2.6
<b>By Geographic Location:</b>	
Urban hospitals	2.6
Rural hospitals	2.4
<b>Bed Size (Urban):</b>	
0-99 beds	1.1
100-199 beds	2.9
200-299 beds	3.1

	<b>All FY 2023 Changes (8)<sup>9</sup></b>
<b>All Hospitals</b>	2.6
<b>By Geographic Location:</b>	
300-499 beds	2.7
500 or more beds	2.4
<b>Bed Size (Rural):</b>	
0-49 beds	0.9
50-99 beds	1.3
100-149 beds	3.5
150-199 beds	3.1
200 or more beds	3.4
<b>Urban by Region:</b>	
New England	3.2
Middle Atlantic	2.5
East North Central	2.3
West North Central	2.2
South Atlantic	2.4
East South Central	2.5
West South Central	3.0
Mountain	4.1
Pacific	2.4
Puerto Rico	3.9
<b>Rural by Region:</b>	
New England	0.1
Middle Atlantic	2.5
East North Central	0.1
West North Central	2.9
South Atlantic	3.6
East South Central	3.2
West South Central	2.8
Mountain	2.9
Pacific	3.4
<b>By Payment Classification:</b>	
Urban hospitals	2.5
Rural areas	2.7
<b>Teaching Status:</b>	
Nonteaching	2.6
Fewer than 100 residents	2.7
100 or more residents	2.5
<b>Urban DSH:</b>	
Non-DSH	2.3
100 or more beds	2.6
Less than 100 beds	2.7
<b>Rural DSH:</b>	
Non-DSH	1.7
SCH	3.8
RRC	2.8
100 or more beds	0.1
Less than 100 beds	-4.0
<b>Urban teaching and DSH:</b>	
Both teaching and DSH	2.5
Teaching and no DSH	2.0
No teaching and DSH	2.8
No teaching and no DSH	2.5
<b>Special Hospital Types:</b>	
RRC	2.0
RRC with Section 401 Reclassification	2.8



	<b>All FY 2023 Changes (8)<sup>9</sup></b>
<b>All Hospitals</b>	2.6
<b>By Geographic Location:</b>	
SCH	3.6
SCH with Section 401 Reclassification	3.8
SCH and RRC	3.5
SCH and RRC with Section 401 Reclassification	3.3
<b>Type of Ownership:</b>	
Voluntary	2.5
Proprietary	3.3
Government	2.4
<b>Medicare Utilization as a Percent of Inpatient Days:</b>	
0-25	2.9
25-50	2.5
50-65	2.8
Over 65	0.3
<b>Medicaid Utilization as a Percent of Inpatient Days:</b>	
0-25	2.4
25-50	2.8
50-65	3.5
Over 65	4.4
<b>Hospitals with 5% or more of cases that reported experiencing homelessness</b>	3.9
<b>FY 2023 Reclassifications:</b>	
All Reclassified Hospitals	2.8
Non-Reclassified Hospitals	2.4
Urban Hospitals Reclassified	2.7
Urban Nonreclassified Hospitals	2.5
Rural Hospitals Reclassified Full Year	2.8
Rural Nonreclassified Hospitals Full Year	1.9
All Section 401 Reclassified Hospitals	2.7
Other Reclassified Hospitals (Section 1886(d)(8)(B))	0.6

3. On pages 49467 through 49468, the table titled “Table II—Impact Analysis of Changes for FY 2023 Acute Care Hospital Operating Prospective Payment System (Payments per discharge)” is corrected to read as follows:

	<b>Number of Hospitals (1)</b>	<b>Estimated Average FY 2022 Payment Per Discharge (2)</b>	<b>Estimated Average FY 2023 Payment Per Discharge (3)</b>	<b>FY 2023 Changes (4)</b>
<b>All Hospitals</b>	3,142	15,064	15,454	2.6
<b>By Geographic Location:</b>				
Urban hospitals	2,420	15,450	15,854	2.6
Rural hospitals	722	11,264	11,530	2.4
<b>Bed Size (Urban):</b>				
0-99 beds	653	11,638	11,762	1.1
100-199 beds	700	12,336	12,694	2.9
200-299 beds	411	13,921	14,346	3.1
300-499 beds	409	15,259	15,678	2.7

	Number of Hospitals (1)	Estimated Average FY 2022 Payment Per Discharge (2)	Estimated Average FY 2023 Payment Per Discharge (3)	FY 2023 Changes (4)
500 or more beds	245	19,035	19,494	2.4
<b>Bed Size (Rural):</b>				
0-49 beds	358	9,656	9,744	0.9
50-99 beds	201	10,973	11,119	1.3
100-149 beds	84	10,930	11,313	3.5
150-199 beds	46	12,354	12,741	3.1
200 or more beds	33	12,935	13,372	3.4
<b>Urban by Region:</b>				
New England	107	16,943	17,482	3.2
Middle Atlantic	295	18,132	18,592	2.5
East North Central	373	14,666	15,002	2.3
West North Central	156	14,816	15,141	2.2
South Atlantic	402	13,341	13,661	2.4
East South Central	140	12,824	13,148	2.5
West South Central	362	13,506	13,916	3
Mountain	176	15,343	15,967	4.1
Pacific	359	19,835	20,307	2.4
Puerto Rico	50	9,110	9,461	3.9
<b>Rural by Region:</b>				
New England	19	16,103	16,126	0.1
Middle Atlantic	49	11,001	11,282	2.5
East North Central	113	11,471	11,487	0.1
West North Central	86	11,804	12,144	2.9
South Atlantic	109	10,381	10,759	3.6
East South Central	141	10,144	10,464	3.2
West South Central	134	9,730	10,002	2.8
Mountain	47	13,126	13,501	2.9
Pacific	24	15,534	16,066	3.4
<b>By Payment Classification:</b>				
Urban hospitals	1,861	14,338	14,701	2.5
Rural areas	1,281	15,990	16,415	2.7
<b>Teaching Status:</b>				
Nonteaching	1,939	11,851	12,157	2.6
Fewer than 100 residents	929	13,898	14,267	2.7
100 or more residents	274	21,998	22,555	2.5
<b>Urban DSH:</b>				
Non-DSH	369	12,491	12,783	2.3
100 or more beds	1,129	14,828	15,207	2.6
Less than 100 beds	363	10,749	11,039	2.7
<b>Rural DSH:</b>				
Non-DSH	105	14,163	14,406	1.7
SCH	264	12,442	12,911	3.8
RRC	674	16,726	17,199	2.8
100 or more beds	22	13,264	13,280	0.1
Less than 100 beds	216	9,297	8,921	-4
<b>Urban teaching and DSH:</b>				
Both teaching and DSH	663	16,060	16,457	2.5
Teaching and no DSH	60	14,060	14,347	2
No teaching and DSH	829	12,077	12,410	2.8
No teaching and no DSH	309	11,689	11,984	2.5
<b>Special Hospital Types:</b>				
RRC	148	11,620	11,849	2
RRC with Section 401 Reclassification	470	17,565	18,059	2.8

	<b>Number of Hospitals (1)</b>	<b>Estimated Average FY 2022 Payment Per Discharge (2)</b>	<b>Estimated Average FY 2023 Payment Per Discharge (3)</b>	<b>FY 2023 Changes (4)</b>
SCH	256	11,626	12,046	3.6
SCH with Section 401 Reclassification	47	14,462	15,009	3.8
SCH and RRC	122	13,174	13,637	3.5
SCH and RRC with Section 401 Reclassification	39	15,623	16,135	3.3
<b>Type of Ownership:</b>				
Voluntary	1,915	15,141	15,516	2.5
Proprietary	789	13,173	13,614	3.3
Government	438	17,122	17,542	2.4
<b>Medicare Utilization as a Percent of Inpatient Days:</b>				
0-25	790	17,643	18,156	2.9
25-50	2,072	14,501	14,860	2.5
50-65	225	12,154	12,497	2.8
Over 65	30	9,588	9,614	0.3
<b>Medicaid Utilization as a Percent of Inpatient Days:</b>				
0-25	2,082	13,649	13,981	2.4
25-50	942	17,466	17,950	2.8
50-65	94	20,166	20,874	3.5
Over 65	24	21,038	21,973	4.4
<b>Hospitals with 5% or more of cases that reported experiencing homelessness</b>	45	19,202	19,954	3.9
<b>FY 2023 Reclassifications:</b>				
All Reclassified Hospitals	1,004	15,971	16,419	2.8
Non-Reclassified Hospitals	2,138	14,291	14,632	2.4
Urban Hospitals Reclassified	840	16,472	16,915	2.7
Urban Nonreclassified Hospitals	1,594	14,488	14,853	2.5
Rural Hospitals Reclassified Full Year	282	11,381	11,697	2.8
Rural Nonreclassified Hospitals Full Year	426	11,120	11,328	1.9
All Section 401 Reclassified Hospitals	615	17,132	17,592	2.7
Other Reclassified Hospitals (Section 1886(d)(8)(B))	56	10,488	10,554	0.6

4. On page 49469, lower half of the page, third column, first partial paragraph,

a. Line 9, the figure “\$88.45 million” is corrected to read “\$164.72 million”.

b. Line 12, the figure “\$33.9 million” is corrected to read “\$110.17 million”.

5. On page 49470,

a. Top of the page, in the table titled “FY 2023 Estimates for New Technology

Add-On Payments for Technologies under the Alternative Pathway for FY 2023”, the

table is corrected to read as follows:

<b>FY 2023 Estimates for New Technology Add-On Payments for Technologies under the Alternative Pathway for FY 2023</b>				
<b>Technology Name</b>	<b>Pathway (QIDP, LPAD, or Breakthrough Device)</b>	<b>Estimated Cases</b>	<b>FY 2023 NTAP Amount (65 % or 75 %)</b>	<b>Estimated Total FY 2023 Impact</b>
Cerament® G	Breakthrough Device	1610	\$4,918.55	\$7,918,865.50
GORE® TAG® Thoracic Branch Endoprosthesis	Breakthrough Device	386	\$27,807.00	\$10,733,502.00
iFuse Bedrock Granite Implant System	Breakthrough Device	1,480	\$9,828.00	\$14,545,440.00
Thoraflex™ Hybrid Device	Breakthrough Device	800	\$22,750.00	\$18,200,000.00
ViviStim®	Breakthrough Device	135	\$23,400.00	\$3,159,000.00
Defencath™	QIDP	7726	\$14,259.38	\$110,167,969.88
<b>Estimated Total FY 2023 Impact</b>				<b>\$164,724,777.38</b>

b. Lower one-third of the page, in the table titled “FY 2023 Estimates for New Technology Add-On Payments for FY 2023”, the table is corrected to read as follows:

<b>FY 2023 Estimates for New Technology Add-On Payments for FY 2023</b>	
<b>Category</b>	<b>Estimated Total FY 2023 Impact</b>
Technologies Continuing New Technology Add-on Payments in FY 2023	\$619,943,190.45
Alternative Pathway Applications	\$164,724,777.38
Traditional Pathway Applications	\$75,161,627.94
<b>Aggregate Estimated Total FY 2023 Impact</b>	<b>\$859,829,595.77</b>

c. Bottom of the page, first column, partial paragraph, before line 1, the text is corrected by adding a heading to read as follows:

"2. Effects of Changes to Medicare DSH and Uncompensated Care Payments for FY 2023 and the New Supplemental Payment for Indian Health Service Hospitals and Tribal Hospitals and Hospitals Located in Puerto Rico".

6. On page 49471, third column, first full paragraph, line 1, the number “2,368” is corrected to “2,367”.

7. On pages 49472 and 49473, the table titled “Modeled Uncompensated Care Payments\* and Supplemental Payments for Estimated FY 2023 DSHs by Hospital Type” is corrected to read as follows:

**Modeled Uncompensated Care Payments\* and Supplemental Payments for Estimated FY 2023  
DSHs by Hospital Type**

	Number of Estimated DSHs (1)	FY 2022 Final Rule Estimated Uncompensated Care Payments (\$ in millions) (2)	FY 2023 Uncompensated Care Payments and Supplemental Payments** (\$ in millions) (3)	Dollar Difference: FY 2022 - FY 2023 (\$ in millions) (4)	Percent Change** * (5)
<b>Total</b>	<b>2,367</b>	<b>\$7,192</b>	<b>\$6,971</b>	<b>-\$221</b>	<b>-3.08%</b>
<b>By Geographic Location</b>					
Urban Hospitals	1,919	6,789	6,592	-197	-2.90
Large Urban Areas	1,005	4,146	4,073	-73	-1.76
Other Urban Areas	914	2,643	2,519	-124	-4.69
Rural Hospitals	448	403	379	-24	-6.00
<b>Bed Size (Urban)</b>					
0 to 99 Beds	363	284	265	-19	-6.55
100 to 249 Beds	779	1,532	1,491	-41	-2.68
250+ Beds	777	4,974	4,836	-137	-2.76
<b>Bed Size (Rural)</b>					
0 to 99 Beds	346	219	206	-13	-5.81
100 to 249 Beds	90	136	127	-9	-6.82
250+ Beds	12	47	45	-2	-4.53
<b>Urban by Region</b>					
New England	88	186	176	-11	-5.79
Middle Atlantic	236	819	765	-54	-6.58
South Atlantic	313	800	762	-38	-4.76
East North Central	104	354	357	4	1.02
East South Central	322	1,759	1,713	-45	-2.58
West North Central	126	439	428	-10	-2.38
West South Central	236	1,434	1,401	-32	-2.27
Mountain	135	299	292	-7	-2.35
Pacific	316	607	611	3	0.54
Puerto Rico	43	93	87	-6	-6.24
<b>Rural by Region</b>					
New England	7	15	11	-3	-23.04
Middle Atlantic	21	12	12	0	-3.77
South Atlantic	66	43	43	-1	-1.81
East North Central	27	23	25	2	8.09
East South Central	77	117	107	-10	-8.75
West North Central	116	85	81	-4	-4.95
West South Central	105	88	81	-7	-8.51
Mountain	23	14	14	-1	-4.60
Pacific	6	5	6	1	24.44
<b>By Payment Classification</b>					
Urban Hospitals	1,456	4,482	4,370	-112	-2.50
Large Urban Areas	832	2,950	2,913	-37	-1.26
Other Urban Areas	624	1,532	1,458	-75	-4.88
Rural Hospitals	911	2,710	2,600	-109	-4.03
<b>Teaching Status</b>					
Nonteaching	1,320	1,961	1,905	-55	-2.82
Fewer than 100 residents	778	2,486	2,425	-61	-2.46
100 or more residents	269	2,746	2,641	-105	-3.82
<b>Type of Ownership</b>					
Voluntary	1,477	4,102	4,023	-80	-1.95
Proprietary	530	1,017	992	-24	-2.38
Government	360	2,073	1,956	-117	-5.65
<b>Medicare Utilization Percent****</b>					
0 to 25	694	3,434	3,335	-99	-2.89

<b>Modeled Uncompensated Care Payments* and Supplemental Payments for Estimated FY 2023 DSHs by Hospital Type</b>					
	<b>Number of Estimated DSHs (1)</b>	<b>FY 2022 Final Rule Estimated Uncompensated Care Payments (\$ in millions) (2)</b>	<b>FY 2023 Uncompensated Care Payments and Supplemental Payments** (\$ in millions) (3)</b>	<b>Dollar Difference: FY 2022 - FY 2023 (\$ in millions) (4)</b>	<b>Percent Change** * (5)</b>
25 to 50	1,552	3,685	3,564	-121	-3.29
50 to 65	111	70	70	0	-0.38
Greater than 65	9	2	2	0	-23.83
<b>Medicaid Utilization Percent****</b>					
0 to 25	1,377	\$3,346	3,260	-85	-2.55
25 to 50	866	3,092	3,021	-71	-2.29
50 to 65	100	674	603	-71	-10.49
Greater than 65	24	81	86	5	6.66

Source: Dobson | DaVanzo analysis of 2018 and 2019 Hospital Cost Reports.

\*Dollar uncompensated care payments calculated by  $[0.75 * \text{estimated section 1886(d)(5)(F) payments} * \text{Factor 2} * \text{Factor 3}]$ . When summed across all hospitals projected to receive DSH payments, uncompensated care payments are estimated to be \$7,192 million in FY 2022 and uncompensated care payments and supplemental payments are estimated to be \$6,971 million in FY 2023.

\*\* For IHS/Tribal hospitals and Puerto Rico hospitals, this impact table reflects the supplemental payments.

\*\*\* Percentage change is determined as the difference between Medicare uncompensated care payments and supplemental payments modeled for this FY 2023 IPPS/LTCH PPS final rule (column 3) and Medicare uncompensated care payments modeled for the FY 2022 IPPS/LTCH PPS final rule correction and correcting amendment (column 2) divided by Medicare uncompensated care payments modeled for the FY 2022 IPPS/LTCH PPS final rule correction and correcting amendment (column 2) times 100 percent.

\*\*\*\*Hospitals with missing or unknown Medicare utilization or Medicaid utilization are not shown in the table.

8. On page 49473, lower one-fourth of the page, second column, partial paragraph, line 6, the figure “2,368” is corrected to “2,367”.

9. On page 49474, first column, second full paragraph, line 5 through the second column, second full paragraph, last line, the language (beginning with the phrase “Rural hospitals with 250+ beds are projected to receive” and ending with the sentence “Hospitals with greater than 65 percent Medicaid utilization are projected to receive an increase of 6.67 percent.”) is corrected to read as follows: “Rural hospitals, in general, are projected to experience larger decreases in uncompensated care payments and supplemental payments compared to their uncompensated care payments in FY 2022, as compared to their urban counterparts. Overall, rural hospitals are projected to receive a 6.00 percent decrease in payments, which is a greater decrease than the overall hospital average, while urban hospitals are projected to receive a 2.90 percent decrease in payments, which is a slightly smaller decrease than the overall hospital average.

Among rural hospitals, by bed size, larger rural hospitals are projected to receive the smallest decreases in uncompensated care payments and supplemental payments. Rural hospitals with 250+ beds are projected to receive a 4.53 percent payment decrease, and rural hospitals with 100–249 beds are projected to receive a 6.82 percent decrease. Smaller rural hospitals with 0–99 beds are projected to receive a 5.81 percent payment decrease. Among urban hospitals, the smallest hospitals, those with 0–99 beds, are projected to receive a 6.55 percent decrease in payments, which is a greater decrease than the overall hospital average. In contrast, urban hospitals with 100–249 beds and those with 250+ beds are projected to receive decreases in payments of 2.68 and 2.76 percent, respectively, which are smaller decreases than the overall hospital average.

In most regions, rural hospitals are generally expected to receive larger than average decreases in uncompensated care payments and supplemental payments. The exceptions are rural hospitals in the South Atlantic Region, which are projected to receive a smaller than average decrease of 1.81 percent in payments and rural hospitals in the East North Central Region and the Pacific Region, which are projected to receive payment increases of 8.09 and 24.44 percent, respectively. Regionally, urban hospitals are projected to receive a more varied range of payment changes. Urban hospitals in the New England, Middle Atlantic, and South Atlantic Regions, as well as hospitals in Puerto Rico, are projected to receive larger than average decreases in payments. Urban hospitals in the East South Central, West North Central, West South Central, and Mountain Regions are projected to receive smaller than average decreases in payments. Urban hospitals in the East North Central and Pacific Regions are projected to receive increases in payments of 1.02 percent and 0.54 percent, respectively.

By payment classification, although hospitals in urban payment areas overall are expected to receive a 2.50 percent decrease in uncompensated care payments and supplemental payments, hospitals in large urban payment areas are expected to see a

decrease in payments of 1.26 percent, while hospitals in other urban payment areas are projected to receive the largest decrease of 4.88 percent. Hospitals in rural payment areas are expected to receive a decrease in payments of 4.03 percent.

Nonteaching hospitals are projected to receive a payment decrease of 2.82 percent, teaching hospitals with fewer than 100 residents are projected to receive a decrease of 2.46 percent, and teaching hospitals with 100+ residents have a projected payment decrease of 3.82 percent. Proprietary and voluntary hospitals are projected to receive smaller than average decreases of 2.38 and 1.95 percent respectively, while government hospitals are expected to receive a larger than average payment decrease of 5.65 percent. Hospitals with less than 25 percent Medicare utilization and hospitals with 50 to 65 percent Medicare utilization are projected to receive smaller than average payment decreases of 2.89 and 0.38 percent, respectively, while hospitals with 25–50 percent and hospitals with greater than 65 percent Medicare utilization are projected to receive larger than average payment decreases of 3.29 and 23.83 percent, respectively. All hospitals with less than 50 percent Medicaid utilization are projected to receive smaller decreases in uncompensated care payments and supplemental payments than the overall hospital average percent change, while hospitals with 50–65 percent Medicaid utilization are projected to receive a larger than average decrease of 10.49 percent. Hospitals with greater than 65 percent Medicaid utilization are projected to receive an increase of 6.66 percent.”

10. On page 49482, third column, first full paragraph, last line, the figure “0.9448” is corrected to read “0.9449”.

11. On page 49483,

a. First column, first partial paragraph, line 1, the figure “5.52 percent” is corrected to read “5.51 percent”.

b. Second column, second full paragraph,



(1) Line 5, the figure “1.6 percent” is corrected to read “1.7 percent”.

(2) Line 10, the figure “1.2 percent” is corrected to read “1.4 percent”.

c. Third column, last paragraph, last line, the figure “0.3 percent” is corrected to read “0.1 percent”.

12. On pages 49484 and 49485, the table titled “TABLE III.—COMPARISON OF TOTAL PAYMENTS PER CASE [FY 2022 PAYMENTS COMPARED TO FY 2023 PAYMENTS]” is corrected to read as follows:

**TABLE III.-- COMPARISON OF TOTAL PAYMENTS PER CASE  
[FY 2022 PAYMENTS COMPARED TO FY 2023 PAYMENTS]**

	Number of Hospitals	Average FY 2022 Payments/Case	Average FY 2023 Payments/Case	Change
<b>All Hospitals</b>	3,142	1,086	1,092	0.6
<b>By Geographic Location:</b>				
Urban hospitals	2,420	1,119	1,125	0.5
Rural hospitals	722	764	767	0.4
<b>Bed Size (Urban):</b>				
0-99 beds	653	883	884	0.1
100-199 beds	700	941	949	0.9
200-299 beds	411	1,035	1,043	0.8
300-499 beds	409	1,105	1,112	0.6
500 or more beds	245	1,326	1,329	0.2
<b>Bed Size (Rural):</b>				
0-49 beds	358	656	655	-0.2
50-99 beds	201	731	734	0.4
100-149 beds	84	742	750	1.1
150-199 beds	46	858	857	-0.1
200 or more beds	33	876	885	1.0
<b>Urban by Region:</b>				
New England	107	1,196	1,197	0.1
Middle Atlantic	295	1,253	1,259	0.5
East North Central	373	1,052	1,058	0.6
West North Central	156	1,070	1,077	0.7
South Atlantic	402	982	986	0.4
East South Central	140	945	951	0.6
West South Central	362	1,031	1,035	0.4
Mountain	176	1,115	1,134	1.7
Pacific	359	1,455	1,461	0.4
Puerto Rico	50	633	642	1.4
<b>Rural by Region:</b>				
New England	19	1,032	1,031	-0.1
Middle Atlantic	49	725	733	1.1
East North Central	113	753	755	0.3
West North Central	86	783	782	-0.1
South Atlantic	109	715	722	1.0
East South Central	141	723	733	1.4
West South Central	134	713	713	0.0
Mountain	47	857	851	-0.7
Pacific	24	977	978	0.1
<b>By Payment Classification:</b>				

	Number of Hospitals	Average FY 2022 Payments/Case	Average FY 2023 Payments/Case	Change
Urban hospitals	1,861	1,080	1,088	0.7
Rural areas	1,281	1,094	1,098	0.4
<b>Teaching Status:</b>				
Nonteaching	1,939	904	909	0.6
Fewer than 100 residents	929	1,025	1,032	0.7
100 or more residents	274	1,471	1,477	0.4
<b>Urban DSH:</b>				
Non-DSH	369	970	973	0.3
100 or more beds	1,129	1,112	1,121	0.8
Less than 100 beds	363	821	824	0.4
<b>Rural DSH:</b>				
Non-DSH	105	1,012	1,020	0.8
SCH	264	793	788	-0.6
RRC	674	1,147	1,151	0.3
100 or more beds	22	918	918	0.0
Less than 100 beds	216	647	653	0.9
<b>Urban teaching and DSH:</b>				
Both teaching and DSH	663	1,175	1,184	0.8
Teaching and no DSH	60	1,044	1,050	0.6
No teaching and DSH	829	958	965	0.7
No teaching and no DSH	309	932	934	0.2
<b>Special Hospital Types:</b>				
RRC	148	878	885	0.8
RRC with section 401 Rural Reclassification	470	1,215	1,218	0.2
SCH	256	745	744	-0.1
SCH with section 401 Rural Reclassification	47	906	896	-1.1
SCH and RRC	122	844	849	0.6
SCH and RRC with section 401 Rural Reclassification	39	1,005	1,017	1.2
<b>Type of Ownership:</b>				
Voluntary	1,915	1,090	1,095	0.5
Proprietary	789	1,000	1,009	0.9
Government	438	1,177	1,184	0.6
<b>Medicare Utilization as a Percent of Inpatient Days:</b>				
0-25	790	1,220	1,228	0.7
25-50	2,072	1,061	1,065	0.4
50-65	225	883	893	1.1
Over 65	30	690	690	0.0
<b>Medicaid Utilization as a Percent of Inpatient Days:</b>				
0-25	2,082	1,006	1,010	0.4
25-50	942	1,220	1,228	0.7
50-65	94	1,447	1,457	0.7
Over 65	24	1,523	1,564	2.7
<b>Hospitals with 5% or more of cases that reported experiencing homelessness</b>	45	1,379	1,404	1.8
<b>FY 2023 Reclassifications:</b>				
All Reclassified Hospitals	1,004	1,113	1,118	0.4
Non-Reclassified Hospitals	2,138	1,064	1,070	0.6
Urban Hospitals Reclassified	840	1,149	1,153	0.3
Urban Non-Reclassified Hospitals	1,594	1,090	1,098	0.7
Rural Hospitals Reclassified Full Year	282	781	788	0.9
Rural Non-Reclassified Hospitals Full Year	426	741	740	-0.1
All section 401 Rural Reclassified Hospitals	615	1,175	1,178	0.3
Other Reclassified Hospitals (section 1886(d)(8)(B))	56	754	758	0.5

13. On page 49494, third column, third full paragraph,

- a. Lines 2 and 3, the figure “\$1.4 billion” is corrected to read “\$1.5 billion”.
- b. Line 14, the figure “\$0.039 billion” is corrected to read “0.040 billion”.
- c. Lines 17 and 18, the figure “-\$0.747 billion” is corrected to read “-\$0.671 billion”.

14. On page 49495,

a. First column, first line, the figure “\$39 million” is corrected to read “\$40 million”.

b. Third column, second full paragraph, last line, the figure “\$1.4 billion” is corrected to read “\$1.5 billion”.

c. Middle of page, Table V. “ACCOUNTING STATEMENT:

CLASSIFICATION OF ESTIMATED EXPENDITURES UNDER THE IPPS FROM  
FY 2022 TO FY 2023” is corrected to read as follows:

**TABLE V.—ACCOUNTING STATEMENT: CLASSIFICATION OF  
ESTIMATED EXPENDITURES UNDER THE IPPS FROM FY 2022 TO FY 2023**

<b>Category</b>	<b>Transfers</b>
Annualized Monetized Transfers	\$1.5 billion
From Whom to Whom	Federal Government to IPPS Medicare Providers

## **List of Subjects in 42 CFR Part 482**

Grant programs--health, Hospitals, Medicaid, Medicare, Reporting and recordkeeping requirements.

Accordingly, 42 CFR chapter IV is corrected by making the following correcting amendments to part 482:

### **PART 482—CONDITIONS OF PARTICIPATION FOR HOSPITALS**

1. The authority citation for part 482 continues to reads as follows:

**Authority:** 42 U.S.C. 1302, 1395hh, and 1395rr, unless otherwise noted.

#### **§ 482.42 [Amended]**

2. In §482.42, redesignate the second paragraph (f)(2)(ii) as paragraph (f)(2)(iii).

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**Elizabeth J. Gramling,**  
Executive Secretary to the Department,  
Department of Health and Human Services.

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